



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105-3901

July 24, 2018

Mr. Daniel Johnson
Vice President - General Manager
Florence Copper, Inc.
1575 W. Hunt Highway
Florence, Arizona 85132

**RE: Approval of Financial Instrument for the Production Test Facility
UIC Permit No. R9UIC-AZ3-FY11-1
Florence Copper Project, Florence Arizona**

Dear Mr. Johnson:

We reviewed the posted Performance Bond (Surety's bond number: 1156330) and Standby Trust Agreement (entered into as of May 8, 2018) submitted May 10, 2018 to guarantee aquifer restoration, ground water monitoring, and plugging and abandonment activities for closure and post closure of the Production Test Facility (PTF) at the Florence Copper Project site, Florence, Arizona. This letter provides formal approval of the financial instrument executed on May 2, 2018 in the total amount of \$4,457,000.

Part II.L.1 of the UIC Permit requires the Permittee, Florence Copper, Inc. (FCI), to maintain financial resources sufficient to meet the restoration and plugging and abandonment requirements established and described in the permit. The level of funding and mechanism of financial responsibility may be reviewed and updated periodically, upon request by EPA.

If you have any questions or wish to discuss this further, please do not hesitate to call Nancy Rumrill of my staff at (415) 972-3293 or me at (415) 972-3971.

Sincerely,

A handwritten signature in black ink, appearing to read "David Albright".

for David Albright
Manager, Drinking Water Protection Section

cc: Maribeth Greenslade, ADEQ